



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

OCT 20 2016

Robert L. Holloway, Esq.
MacLean Holloway Doherty Ardoff & Morse, P.C.
8 Essex Center Drive
Peabody, MA 09160

RE: MUR 6914

Dear Mr. Holloway:

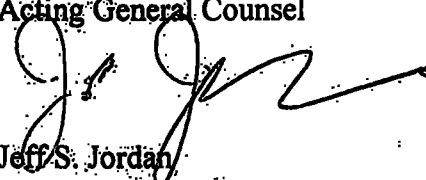
On February 12, 2015, the Federal Election Commission notified your clients, DeFranco for Congress and Kai P. Moy, as treasurer (the "Committee"), of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended. On October 3, 2016, based upon the information contained in the complaint, and information provided by the Committee, the Commission decided to exercise its prosecutorial discretion to dismiss the complaint and close its file in this matter. Accordingly, the Commission closed its file in this matter on October 3, 2016.

Documents related to the case will be placed on the public record within 30 days. See Statement of Policy Regarding Disclosure of Closed Enforcement and Related Files, 68 Fed. Reg. 70,426 (Dec. 18, 2003) and Statement of Policy Regarding Placing First General Counsel's Reports on the Public Record, 74 Fed. Reg. 66,132 (Dec. 14, 2009). A copy of the dispositive General Counsel's Report is enclosed for your information.

If you have any questions, please contact Don Campbell, the attorney assigned to this matter, at (202) 694-1650.

Sincerely,

Lisa J. Stevenson
Acting General Counsel

BY: 
Jeff S. Jordan
Assistant General Counsel
Complaints Examination and
Legal Administration

Enclosure
General Counsel's Report

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COMMISSION
2016 SEP 15 AM 10:21

BEFORE THE FEDERAL ELECTION COMMISSION

**ENFORCEMENT PRIORITY SYSTEM
DISMISSAL REPORT**

MUR: 6914

Complaint Receipt Date: February 10, 2015

**Response Date(s): February 20, 2015
April 1, 2015**

**Respondents: DeFranco for Congress,
and Kai P. Moy, as Treasurer
(collectively the "Committee")¹**

██████████
Alleged Statutory/

52 U.S.C. §§ 30104(a)(1), (b)(8)

Regulatory Violations:

11 C.F.R. §§ 104.1(a), 104.3(d), 116.10(a)

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The Complaint alleges that DeFranco for Congress, the authorized committee of Marisa DeFranco, violated the Federal Election Campaign Act of 1971, as amended ("the Act") and Commission regulations by failing to include in its disclosure reports a debt allegedly still owed to the Complainant for campaign-related expenses. The Complaint included a copy of an agreement for campaign-related services provided by Complainant to the Committee, signed by both parties, but did not specify an amount that was still owed. The Committee responded by claiming that there was no outstanding debt owed to Complainant. Specifically, the Committee stated that on July 15, 2014, it paid Complainant \$1,000 for two months of work², and asserted that on June 24, 2014, Complainant had released the Committee from their agreement. The Committee also stated that on September 30, 2014, Complainant "provided an alleged claim" via e-mail, but that this additional claim was "dealt with" by legal counsel, and that there was no further contact from Complainant until the Committee received notice of the Complaint in this matter.

¹ The Committee filed a Termination Report on January 14, 2016, and has continued to file, submitting a 2016 April Quarterly Report on April 15, 2016, and a 2016 July Quarterly Report on July 4, 2016. The Committee reported \$0 Cash on Hand in its 2015 Year-End Report, 2016 Termination Report, 2016 April Quarterly Report, and 2016 July Quarterly Report.

² See DeFranco for Congress 2014 July Quarterly Report, filed July 15, 2014, at 23.

³ Debts or obligations of \$500 or less "shall be reported as of the time payment is made or not later than 60 days after such obligation is incurred, whichever comes first." 11 C.F.R. § 104.11(b). Debts or obligations over \$500 shall be disclosed "as of the date on which the debt or obligation is incurred," with the exception of recurring administrative expenses such as salary or rent, and if the exact amount is not known, the report shall state that the amount disclosed is an estimate. *Id.* "Once the exact amount is determined, the political committee shall amend the report(s) containing the estimate or indicate the correct amount on the report for the reporting period in which such amount is determined." *Id.*

question as to whether the Committee had notice of a specific debt, we recommend that the Commission dismiss the allegations consistent with the Commission's prosecutorial discretion to determine the proper ordering of its priorities and use of agency resources. *Heckler v. Chaney*, 470 U.S. 821, 831-32 (1985). We also recommend that the Commission close the file as to all respondents and send the appropriate letters.


General Counsel


Kathleen M. Guith
Acting Associate General Counsel
for Enforcement

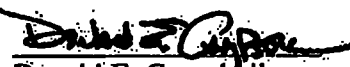
9.15.16

Date

BY:


Stephen Gura
Deputy Associate General Counsel
for Enforcement


Jeff S. Jordan
Assistant General Counsel
Complaints Examination
& Legal Administration


Donald E. Campbell
Attorney
Complaints Examination
& Legal Administration